

Message Text

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PAGE 01 SOFIA 00094 01 OF 02 151556Z

53

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02 PA-01

PRS-01 CIAE-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 LAB-04 SIL-01 SAJ-01 AGR-05 /093 W

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R 151306Z JAN 76

FM AMEMBASSY SOFIA

TO SECSTATE WASHDC 687

INFO AMEMBASSY BELGRADE

AMEMBASSY BERLIN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

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AMEMBASSY WARSAW

USDOC WASHDC

USNATO 446

LIMITED OFFICIAL USE SECTION 1 OF 2 SOFIA 0094

E.O. 11652: N/A

TAGS: ECON, EEWT, ETRD, BU

SUBJECT: ECONOMIC "THESES" OF BCP

1. SUMMARY: BCP CC "THESES" FOR ECONOMIC DEVELOPMENT DURING SEVENTH FIVE-YEAR PLAN AND PERIOD TO 1990 ARE LARGELY CATALOGUE OF GOALS WITH LITTLE INDICATION AS TO HOW THEY WILL BE REALIZED. MOST INTERESTING POINTS ARE APPARENT SHIFTS TOWARD DECENTRALIZATION OF DECISION-MAKING AND INCREASED USE OF WAGE INCENTIVES. LABOR PRODUCTIVITY IS ALSO EMPHASIZED. SECTION ON TERRITORIAL DISTRIBUTION OF PRODUCTION LISTS GEOGRAPHIC AREAS FOR PRIORITY DEVELOPMENT. FOREIGN ECONOMIC RELATIONS SECTION STRESSES SOVIET AND CEMA INTEGRATION AND LISTS

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PAGE 02 SOFIA 00094 01 OF 02 151556Z

GENERAL FIELDS INCREASED EXPORT EFFORT. END SUMMARY.

2. BCP CENTRAL COMMITTEE "THESES" FOR ECONOMIC DEVELOPMENT OF BULGARIA DURING SEVENTH FIVE-YEAR PLAN AND PERIOD UNTIL 1990 APPEARED IN RABOTNICHESKO DELO JANUARY 8. ALTHOUGH TEXT COVERED MORE THAN TWO FULL PAGES, THESES CONTAIN LITTLE NEW AND ARE LARGELY CATALOGUE OF ECONOMIC GOALS WITH LITTLE INDICATION AS TO HOW THEY WILL BE REALIZED. THESES WERE APPROVED AT CC PLENUM IN FEBRUARY 1975 AND REFLECT EMPHASES AND POLICY GUIDELINES THAT WERE ALREADY IN EFFECT AT THAT TIME AND/OR HAVE BEEN PRESENTED IN VARIOUS WAYS AND FORUMS IN MEANTIME. STATED PURPOSE OF PUBLICATION AT THIS TIME IS TO PREPARE PEOPLE FOR XI PARTY CONGRESS AND GIVE THEM OPPORTUNITY TO VOICE OPINIONS AND RECOMMENDATIONS PRIOR TO ISSUANCE OF IMPLEMENTING DIRECTIVES AT CONGRESS. (COMMENT: OBFUSCATORY LANGUAGE AND AMORPHOUS NATURE OF THESES WOULD MAKE INTELLIGENT PUBLIC CONTRIBUTION UNLIKELY EVEN IF THAT WERE GENUINELY DESIRED BY AUTHORITIES. ALL THAT CAN BE EXPECTED ARE THE USUAL ENCOMIUMS FOR A PARTY PROPOSAL.)

3. MOST INTERESTING POINTS TO EMERGE FROM THESES ARE POLICIES WHICH APPEAR AIMED TOWARD DECENTRALIZATION OF DECISION-MAKING AND INCREASED USE OF WAGE INCENTIVES. ECONOMIC MINISTRIES AND LEADING BRANCHES OF ECONOMY ARE TO DEVELOP AS SELF-REPORTING STATE ECONOMIC SYSTEMS (SEE SOFIA 2717). THEIR ACTIVITIES AND THEIR RELATIONS TO THE STATE BUDGET ARE TO BE GOVERNED BY A LIMITED NUMBER OF "INDICES". (COMMENT: NO FURTHER DETAILS ARE GIVEN ON "INDICES", BUT THEY ARE PRESUMABLY SKELETON CRITERIA ESTABLISHED AND IMPOSED BY CENTRAL PLANNING AUTHORITIES.) WITHIN THESE INDICES THE ORGANIZATIONS "MUST HAVE THE RIGHT TO DECIDE INDEPENDENTLY THEIR INTERNAL PROBLEMS". AS REGARDS WAGES, THESES CONTAIN STATEMENTS THAT THEY MUST BE TIED MORE CLOSELY TO QUALITY AND EFFICIENCY AND THAT HOURLY WAGE MUST BE USED MORE WIDELY (LATTER PRESUMABLY TO COMBAT ABSENTEEISM). ALTHOUGH SUBJECT OF WAGE INCENTIVES IS NOT NEW, THIS APPEARS TO BE LIMITED OFFICIAL USE

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PAGE 03 SOFIA 00094 01 OF 02 151556Z

STRONGER, MORE POSITIVE FORMULATION.

4. ALSO OF INTEREST IS FINAL SECTION OF THESES, ENTITLED "PRINCIPAL LINES OF TERRITORIAL DISTRIBUTION OF PRODUCTION FORCES" WHICH IS TO REALIZE "GRADUAL DRAWING CLOSER TOGETHER OF SOCIAL-ECONOMIC AND CULTURAL LEVEL OF POPULATION." INTER AND INTRA-OKRUG SPECIALIZATION AND CONCENTRATION OF PRODUCTION ARE

TO BE EMPHASIZED. DEVELOPMENT OF SOUTHERN PARTS OF YAMBOL, BURGAS, KHASKOVO, KURDZHALI, AND SMOLYAN OKRUGS; WESTERN PARTS OF KYUESTENDIL AND PERNIK OKRUGS; AND BOTH SOUTHERN AND WESTERN PARTS OF BLAGOEVGRAD OKRUG IS TO BE ACCELERATED BY SETTING UP OF PRODUCTION CONCENTRATIONS. INDUSTRY (OUTSIDE THE OKRUG ADMINISTRATIVE SEAT) IN SILISTRA, RAZGRAD, SHUMEN, TURGOVISHTA, KHASKOVO, KURDZHALI, AND SMOLYAN OKRUGS IS TO BE GIVEN "PRIORITY DEVELOPMENT" WITH PARTICULAR ATTENTION DEVOTED TO TOWNS AND VILLAGES LAGGING IN DEVELOPMENT. IN ADDITION INDUSTRIALIZATION OF GRAIN-PRODUCING AREAS (AGAIN OUTSIDE OKRUG ADMINISTRATIVE SEATS) OF TOLBUKHIN, MIKHAILOVGRAD, YAMBOL, VRATSA, AND PLEVEN DISTRICTS IS TO BE ACCELERATED.

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PAGE 01 SOFIA 00094 02 OF 02 151839Z

53

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LIMITED OFFICIAL USE SECTION 2 OF 2 SOFIA 0094

5. BEGIN COMMENT: FOR MOST PART GEOGRAPHIC AREAS MENTIONED ABOVE ARE MORE REMOTE, BACKWARD AREAS ALONG SOUTHERN AND WESTERN BORDERS OF BULGARIA AND IN NORTHEASTERN REGION. INTERESTINGLY ENOUGH, MANY TEND TO BE AREAS WHERE THERE ARE MINORITY CONCENTRATIONS OF TURKS, ROMANIANS, AND MACEDONIANS, BUT WE ARE INCLINED TO BELIEVE THIS IS COINCIDENTAL. TERRITORIAL DISTRIBUTION OF PRODUCTION PROBABLY AIMED PRIMARILY AT TAPPING ADDITIONAL LABOR RESERVES--WITHOUT CONTRIBUTING TO POPULATION FLIGHT TO EXISTING URBAN CENTERS--BY TAKING INDUSTRY TO LESS DEVELOPED AREAS AND WHERE SOME OF LABOR FORCE CAN BE REMOVED FROM AGRICULTURAL FIELD, E.G. IN HIGHLY-MECHANIZED GRAIN-GROWING REGIONS. SOMETHING OF CONTRADICTION EXISTS, LIMITED OFFICIAL USE

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PAGE 02 SOFIA 00094 02 OF 02 151839Z

HOWEVER, IN EMPHASIS ON MODERNIZATION, REORGANIZATION, AND EXPANSION OF EXISTING FACILITIES, AND DEVELOPMENT OF AREAS WHERE FACILITIES DO NOT CURRENTLY EXIST. END COMMENT.

6. THESES CONTAIN FAMILIAR CALL FOR COMPLETE AND COMPREHENSIVE UTILIZATION AND MOBILIZATION OF ALL RESOURCES INCLUDING LABOR. LABOR PRODUCTIVITY DURING PERIOD 1976-1990 MUST INCREASE 3-3.5 TIMES. MEASURES TO ACCOMPLISH THIS (IN ADDITION TO THOSE PREVIOUSLY CITED) INCLUDE:

A. MAIN EMPHASIS IN CAPITAL INVESTMENT WILL BE ON MODERNIZATION AND REORGANIZATION OF EXISTING PRODUCTIVE FACILITIES, WITH NOT LESS THAN 55 PERCENT OF CAPITAL INVESTMENT DEVOTED TO THEM.

B. UTILIZATION OF RESULTS OF SCIENTIFIC RESEARCH TO PRODUCTION MUST BE EXPEDITED, WITH 60-65 PERCENT OF SCIENTIFIC FUNDS TO BE UTILIZED FOR THIS PURPOSE.

C. AUTOMATION AND USE OF COMPUTERS MUST BE IMPLEMENTED.

D. NUMBER OF ADMINISTRATIVE PERSONNEL MUST BE REDUCED SUBSTANTIALLY AND SHIFT-WORK IN ALL BRANCHES OF ECONOMY MUST BE INCREASED.

7. ON FOREIGN ECONOMIC RELATIONS, THESES CONTAIN EXPECTED ENTHUSIASM FOR ECONOMIC INTEGRATION WITH CEMA AND PARTICULARLY SOVIET UNION. INTERNATIONAL TRADE IS TO BE DEVELOPED ON BASIS OF PARTICIPATION "IN INTERNATIONAL DIVISION OF LABOR AND ABOVE ALL IN

SOCIALIST DIVISION OF LABOR". SPECIAL ATTENTION IS
TO BE GIVEN TO EXPORT OF COMPLETE PROJECTS,
"UNIQUE" MACHINERY AND EQUIPMENT, ELECTRONIC COMPUTERS
AND COMMUNICATIONS EQUIPMENT, AUTOMATION SYSTEMS,
AND HIGHLY-PRODUCTIVE METALWORKING EQUIPMENT.
CIRCULATION OF CONSUMER GOODS MUST BE INTENSIFIED
WITH VIEW OF PROVIDING GREATER QUANTITY AND VARIETY
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PAGE 03 SOFIA 00094 02 OF 02 151839Z

OF COMMODITIES FOR DOMESTIC MARKET. TOURISM IS TO
BE ENHANCED THROUGH INTENSIVE UTILIZATION OF
EXISTING FACILITIES AND IMPROVEMENT OF SERVICES.

8. MAJOR PORTION OF THESES IS SECTOR BREAKDOWN OF
POLICIES AND GOALS, A HODGEPODGE LISTING,
DEFYING SUMMARIZATION AND ANALYSIS, OF INTEREST ONLY
TO VERY SPECIALIZED GROUP. EMBASSY WILL POUCH
UNEDITED COPIES OF EMBASSY UNOFFICIAL TRANSLATION
TO EUR/EE, INR, AND USDOC.

9. COMMENT: THESES PROMISE A GREAT DEAL, INCLUDING
TO CONSUMERS, WITHOUT COMING TO GRIPS WITH HOW IT
IS TO BE ACCOMPLISHED. IT WILL TAKE A GREAT DEAL TO
TRANSFORM THEM FROM REALM OF VISIONARY AND WISHFUL-
THINKING TO ANY SEMBLANCE OF REALITY.
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